

## **Testimony for the House Commerce Committee**

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**Melissa Trustman**

**Director, Public Policy**

**Detroit Regional Chamber**

Mr. Chairman and members of the Committee, thank you for the opportunity to submit testimony on behalf of the Detroit Regional Chamber. My name is Melissa Trustman, Director of Government Relations with the Detroit Regional Chamber, an organization representing approximately 21,000 members and committed to make money, save money and grow business opportunities for its members

I am writing in support of the HB package including: 4538, 4539, 4540. These bills are a key element in redeveloping aging communities in the Detroit Region. The current NEZ program has been instrumental in bringing housing starts to Detroit, a city that has seen constant residential decline since the 1950's. The city of Detroit has effectively placed itself near the top of Southeast Michigan building permit rankings by leveraging 7400 housing starts since 2002. Neither the development interest, nor the residential interest would have been possible without the Neighborhood Enterprise Zone tool.

As is in the current NEZ program, this would be available to Core Communities. It will not undermine Proposal A and will only be available for homesteaded properties. Unlike the current NEZ program however, HB 4540 specifies a limitation to a reduction in the county and city operating milages. This reduction would provide meaningful tax reductions to current and potential city residents. In turn, the city of Detroit and other distressed communities will have the discretion to use the tool as they see fit.

In considering these bills, please keep the following in mind:

- These bills will help mitigate population losses in aging communities
- Tax reductions in core communities will help maintain existing infrastructure use
- Decreasing escrow proportions on home loan payments increase wealth for struggling families
- Maintaining value in any community within a region stabilizes long-term value for all communities in that particular region.

*Headquarters  
One Woodward Avenue  
Suite 1900  
P.O. Box 33840  
Detroit, Michigan 48232-0840  
313.964.4000*

*Lansing  
101 S. Washington Sq.  
Suite 820  
Lansing, Michigan 48933  
517.372.2278*

The same sentiment comes from realtors doing business in the city of Detroit. According to a local realtor:

"Current property tax rates on existing structures make most properties unaffordable to potential buyers in the city of Detroit. Almost all of our property sales are contingent on some sort of incentive or cost-offset. The Neighborhood Enterprise Zone incentive tool has greatly increased the number of properties we are able to sell and the value of those properties. If this tool were extended to existing properties, we would be able to move those properties more effectively and closer to market rate."

Lauren D. Bruyninga  
Renaissance Investment Co.  
Detroit, MI

I encourage you to support this bill package and in turn support residents, families and the economic well-being in the state of Michigan. Thank you and I would be happy to answer any questions at this time.

Contact Information:

Melissa Trustman  
Director, Government Relations  
Detroit Regional Chamber  
T: 313.596.0409  
[mtrustman@detroitchamber.com](mailto:mtrustman@detroitchamber.com)